

Grow your business.
Build the Nation.



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OVERVIEW



ABOUT MBDA

STATE OF MINORITY BUSINESS ENTERPRISES

MBDA BUSINESS CENTER NETWORK

MBDA PERFORMANCE BASED

ABOUT MBDA



MBDA is an agency of the **U.S. DEPARTMENT OF COMMERCE** working on behalf of the nation's minority-owned firms in support of their growth and global competitiveness.

VISION

**Economic prosperity for all American
business enterprises**

MISSION

**To promote the growth of minority-owned business through the
mobilization and advancement of public and private sector
programs, policy, and research**

STRATEGIC FOCUS



BUSINESS DEVELOPMENT

Maximize **JOB CREATION** and **GLOBAL COMPETITIVENESS** for U.S. minority-owned businesses through increased access to capital, contracts and markets.

EDUCATION, RESEARCH AND INFORMATION

PRODUCE and **PROMOTE INFORMATION** for and about minority business enterprises.

POLICY, ADVOCACY, AND OUTREACH

Create informed **POLICY AGENDAS** to **ADVOCATE** for and to conduct **OUTREACH** on behalf of minority business enterprises.

OPERATIONAL EXCELLENCE

Advance agency services by being **RESPONSIVE** and **NIMBLE**, rapidly adapting to the changes in the minority business landscape.

The MBDA Distinction



- ✓ Focused exclusively on MBEs with **no size restrictions**
- ✓ **Accelerates firm growth** from less than \$10M to \$50M+
- ✓ Fosters strategic growth regionally, **nationally and globally**
- ✓ Provides a high touch, customized **case management approach**
- ✓ Facilitates **middle market and private equity** financing
- ✓ Assists SBA's **8(a) program graduates** to diversify revenues from Federal to private sector contracting and consumer markets
- ✓ Assists MBEs with teaming, **joint ventures and mergers & acquisitions**
- ✓ Recruits export ready MBEs for Secretarial **trade missions, multilateral partnerships, and global supply chains**
- ✓ **Advocates for MBE concerns** and regulatory impediments

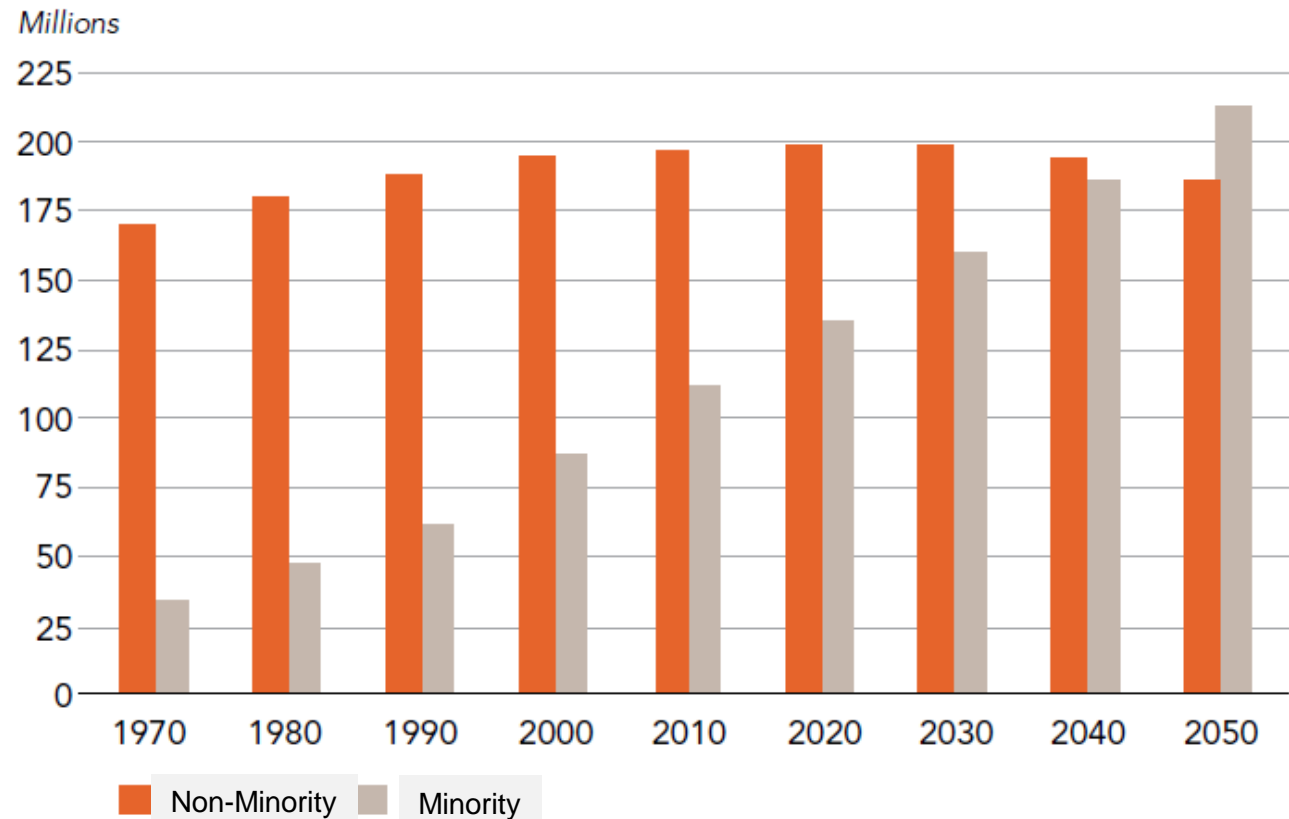


State of Minority Business Enterprises

Projected Population Demographic Changes



Non-Minority & Minority Populations, 1970-2050



Projected Population Demographic Changes

Minority population is growing faster than non-minorities

Source: U.S. censuses and Census Bureau projections, various years.

Graph excerpts from "Diversity Explosion" by William H. Frey, Senior Fellow, The Brookings Institution, Metropolitan Policy Program

U.S. Minority Business Enterprises



- Contribute **\$1.4 trillion** in economic output
- 11% of minority-owned firms have paid employees — **7.2 million jobs**
- Represent **29% of all firms** in the U.S.

There are

**8
million**

minority-owned
businesses in the U.S.

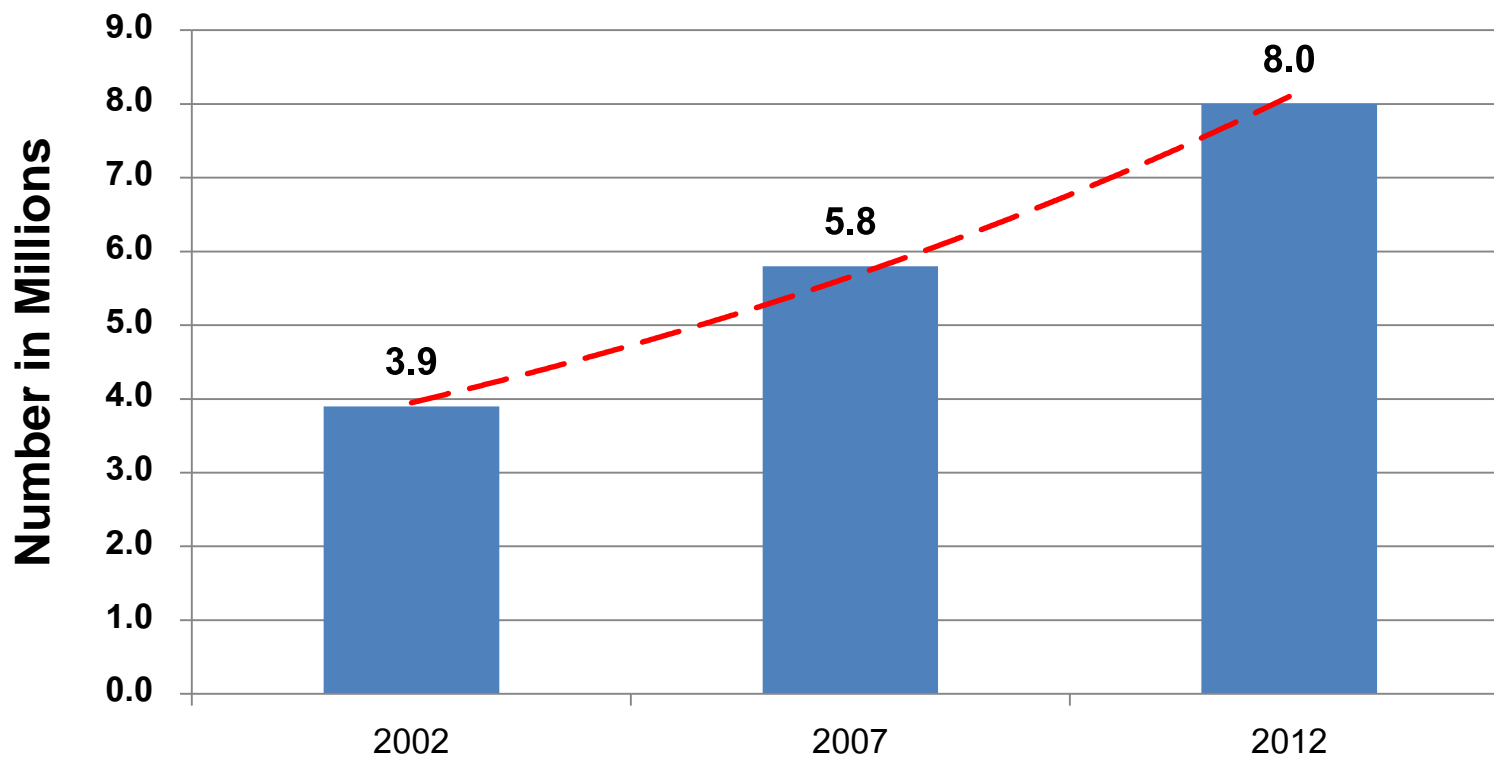
Source: U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

U.S. Minority Business Enterprises Trend



The number of minority firms more than doubled

Minority Firms



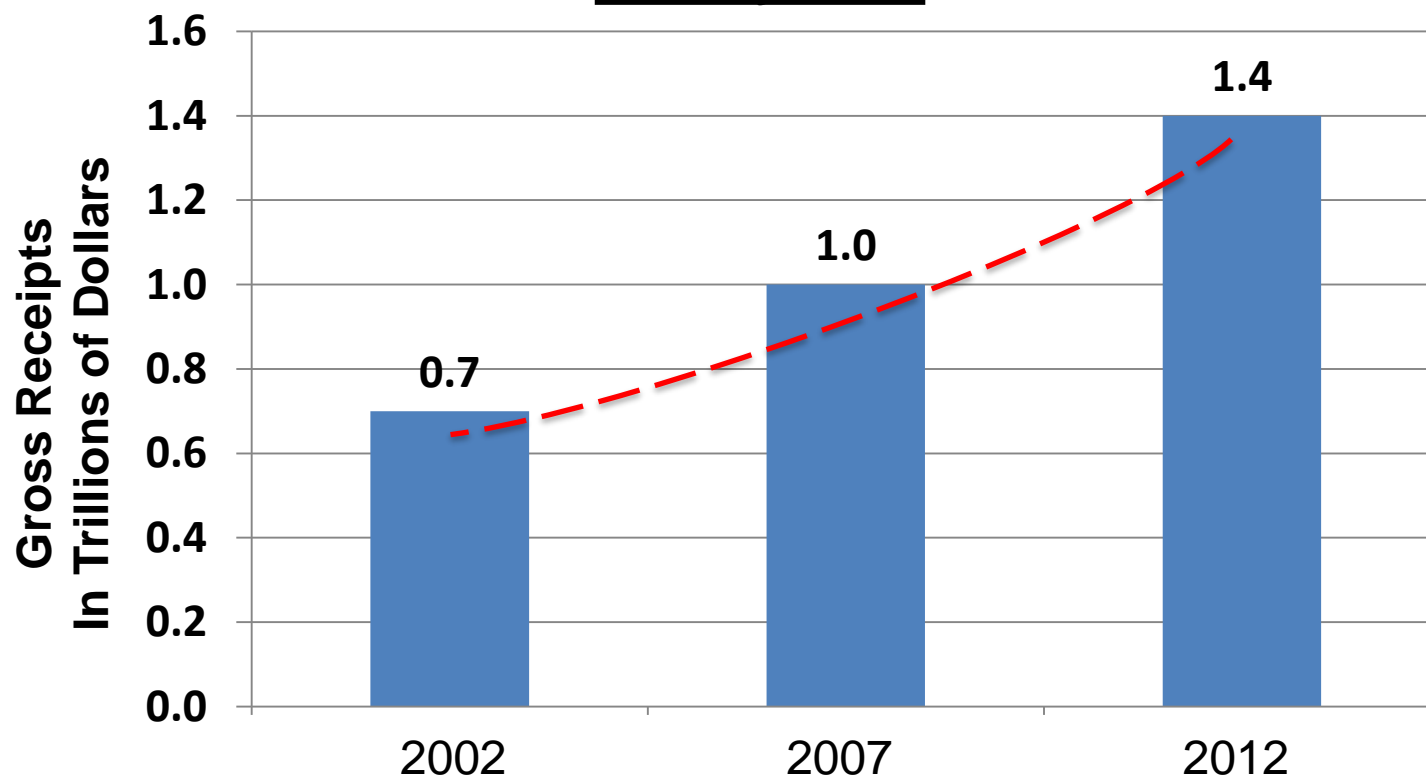
Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006
U.S. Census Bureau, 2007 Survey of Business Owners, June 2010
U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

U.S. Minority Business Enterprises Trend



Economic activity of minority firms doubled

Minority Firms

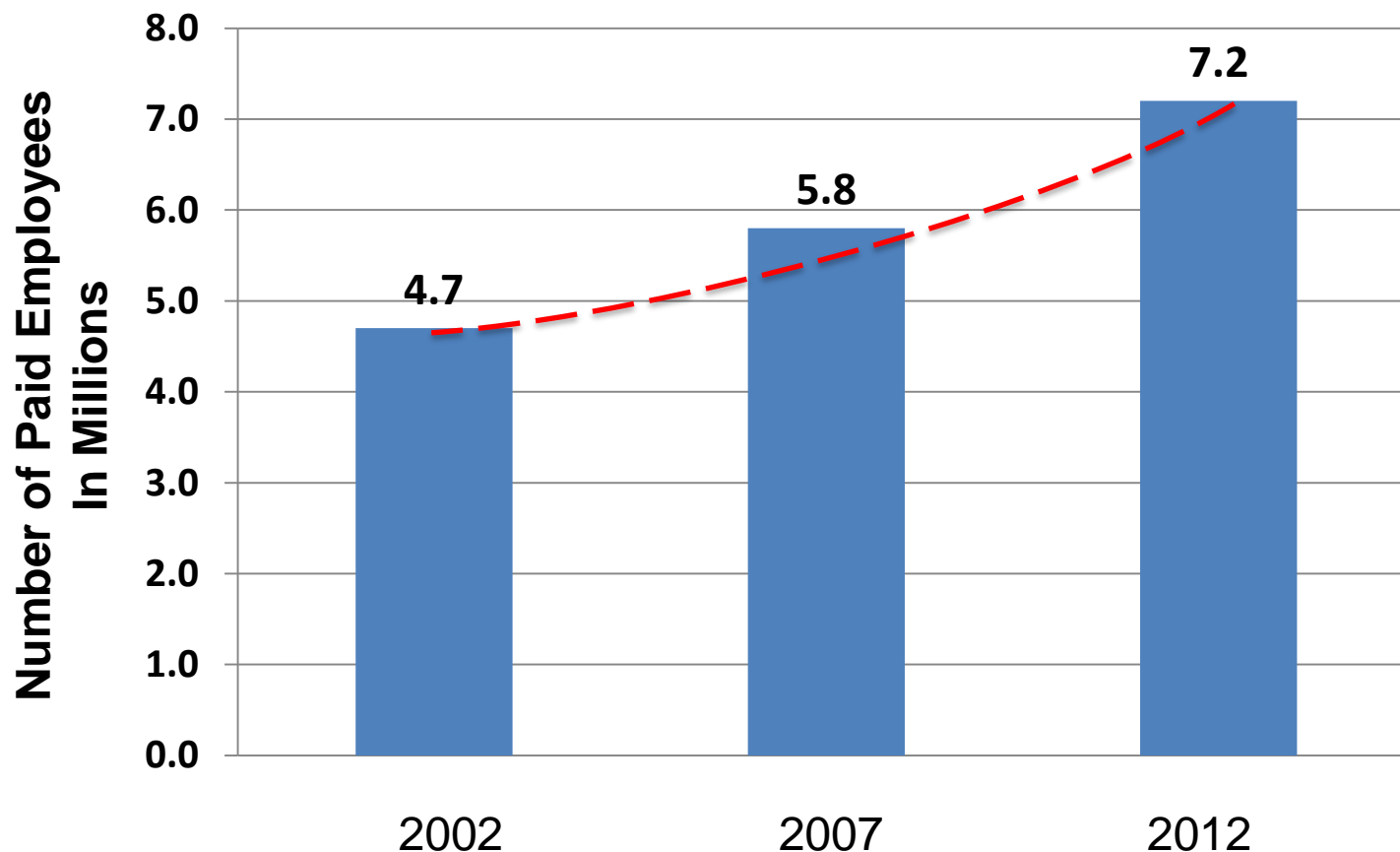


Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006
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U.S. Minority Business Enterprises Trend



Minority Firms



Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006

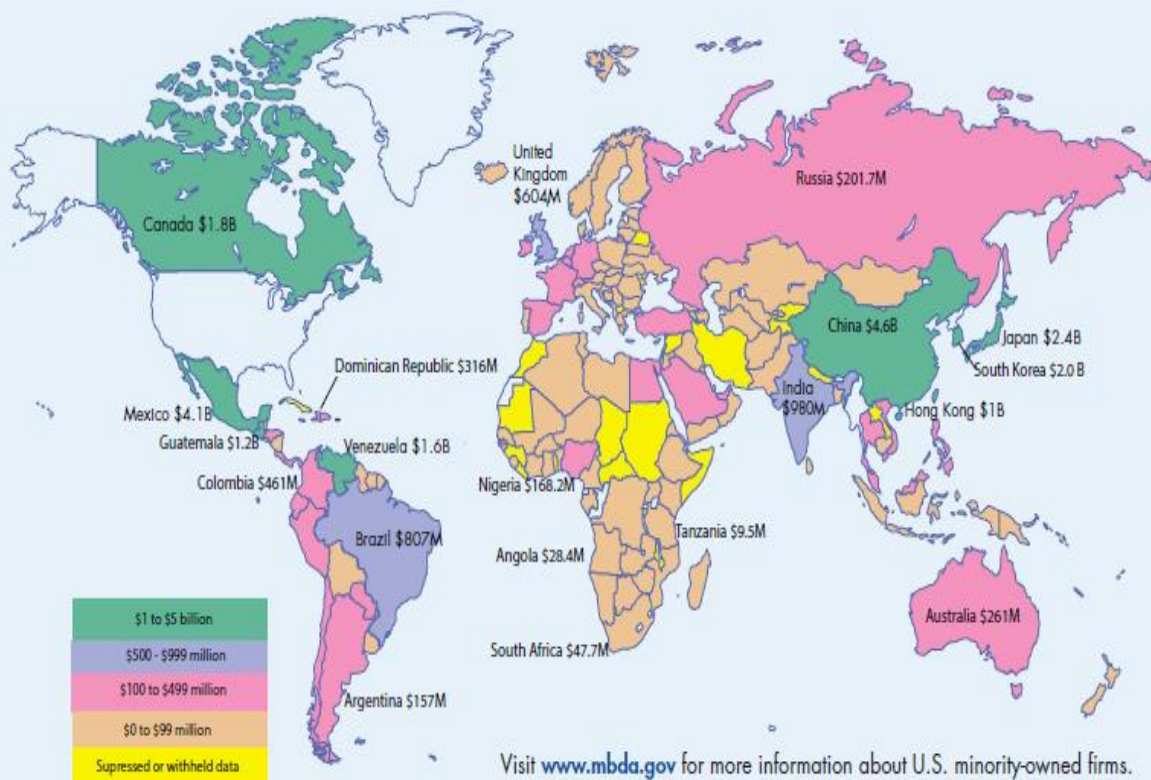
U.S. Census Bureau, 2007 Survey of Business Owners, June 2010

U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

U.S. Minority-Owned Firms & Export Sales (2007)



95% of the World's Consumers are Outside the U.S.



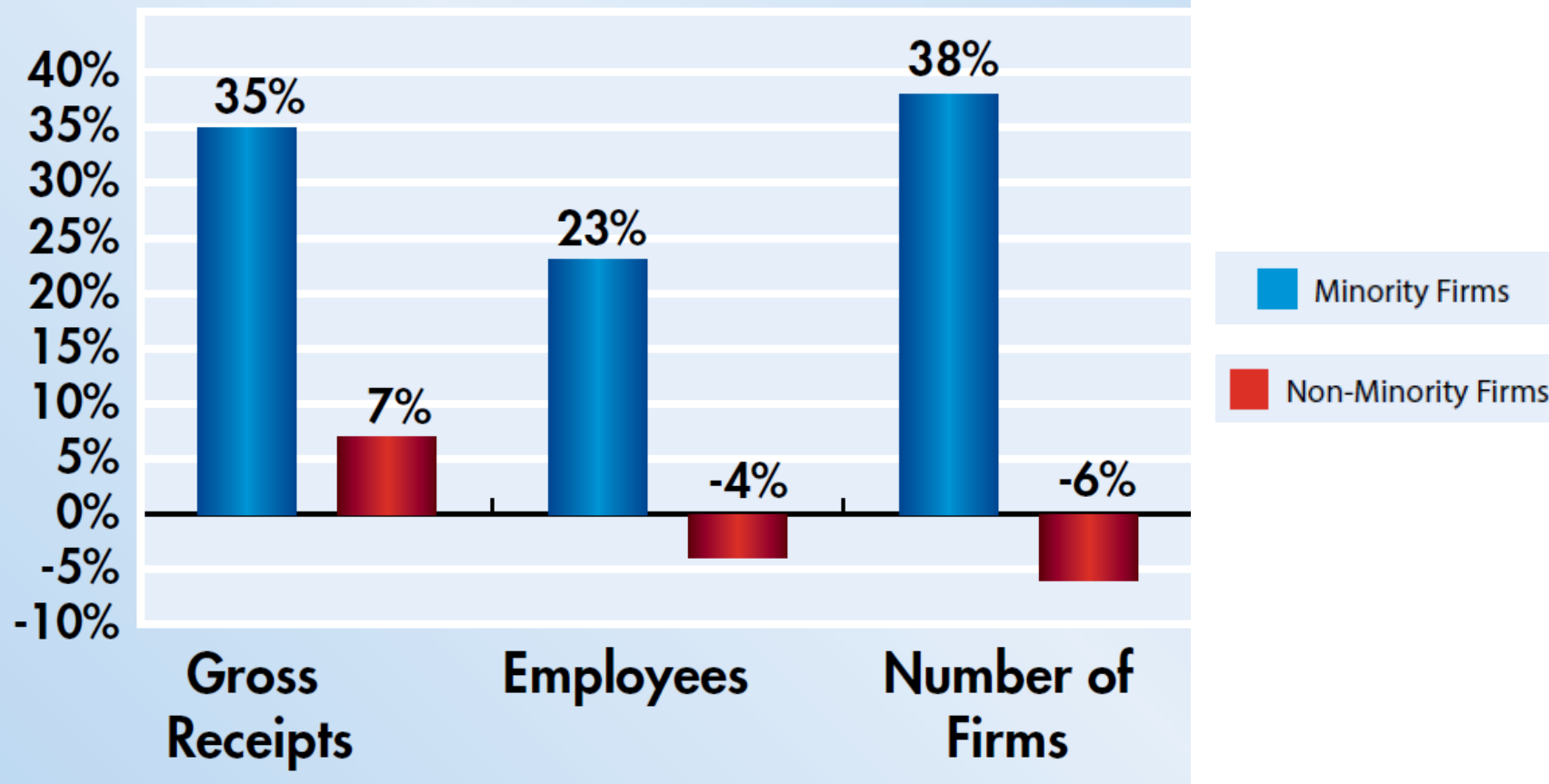
MBEs are:

- Uniquely qualified to enter global markets
- 2x as likely to export
- 3x as likely to already have international operations
- 6x as likely to transact in a language other than English

Source: U.S. Census Bureau, 2007 Survey of Business Owners released June 2010

Source: MBDA, *Minority Exporters: Characteristics and Strategies for New Business and Expansion*, 2015

U.S. Business Growth Comparisons (2007 – 2012)

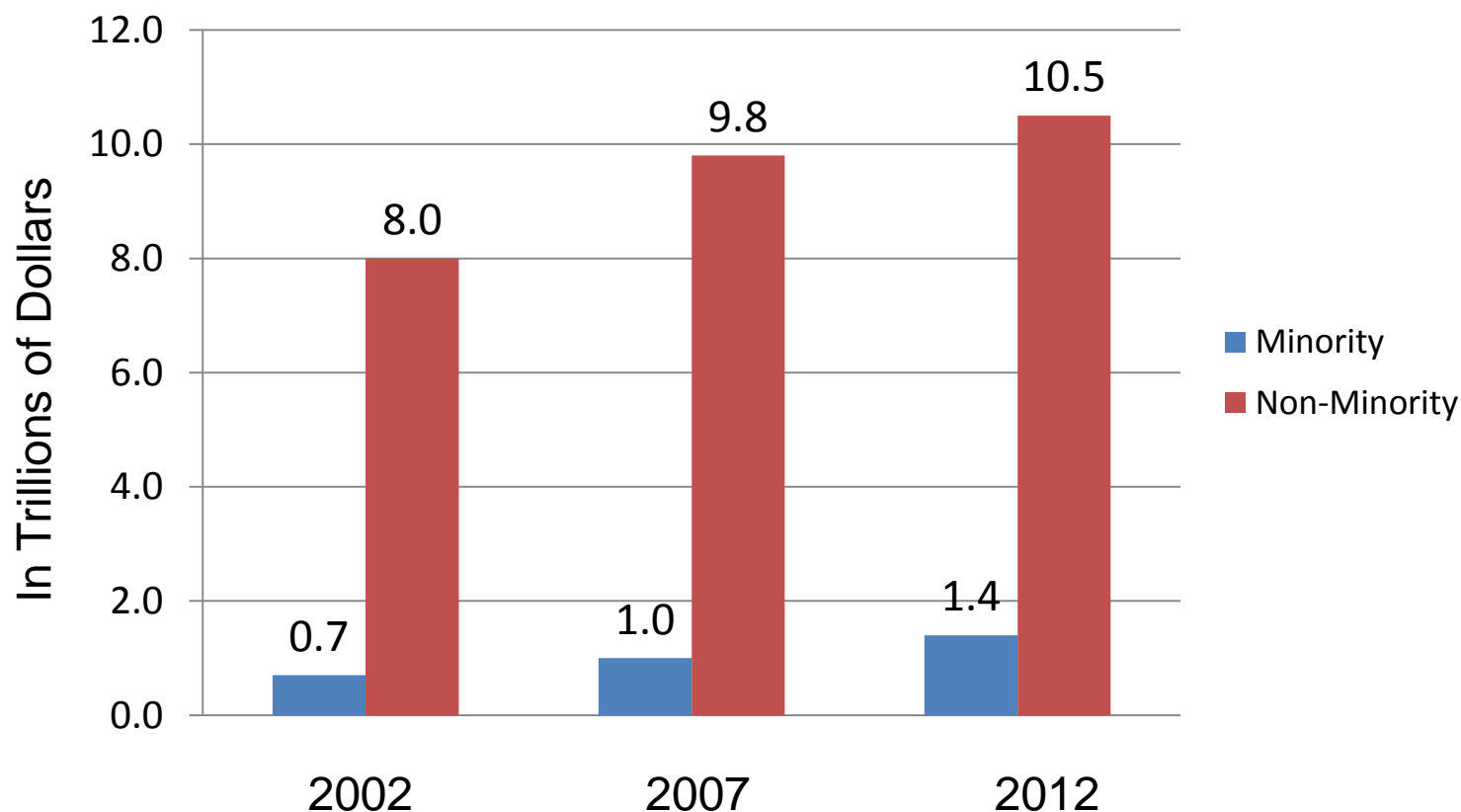


Source: U.S. Census Bureau, 2012 Survey of Business Owners released December 2015

U.S. Business Gross Receipts Comparisons (2002 – 2012)



Combined Gross Receipts



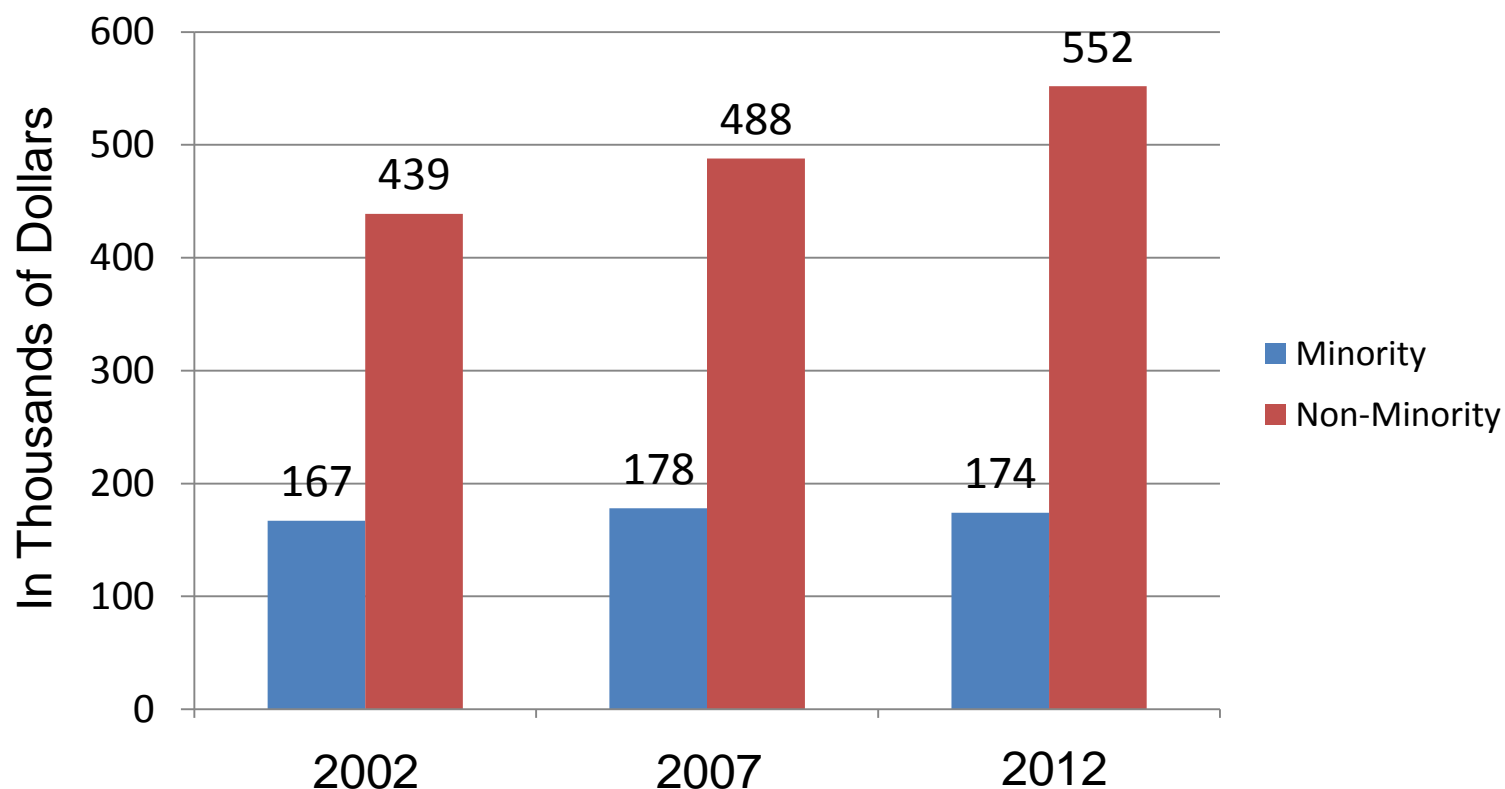
Source: U.S. Census Bureau, 2002 Survey of Business Owners, September 2006
U.S. Census Bureau, 2007 Survey of Business Owners, June 2010
U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

U.S. Business Gross Receipts Comparisons (2002 – 2012)



Minority firms continue to lag in size when compared to non-minority firms

Average Gross Receipts

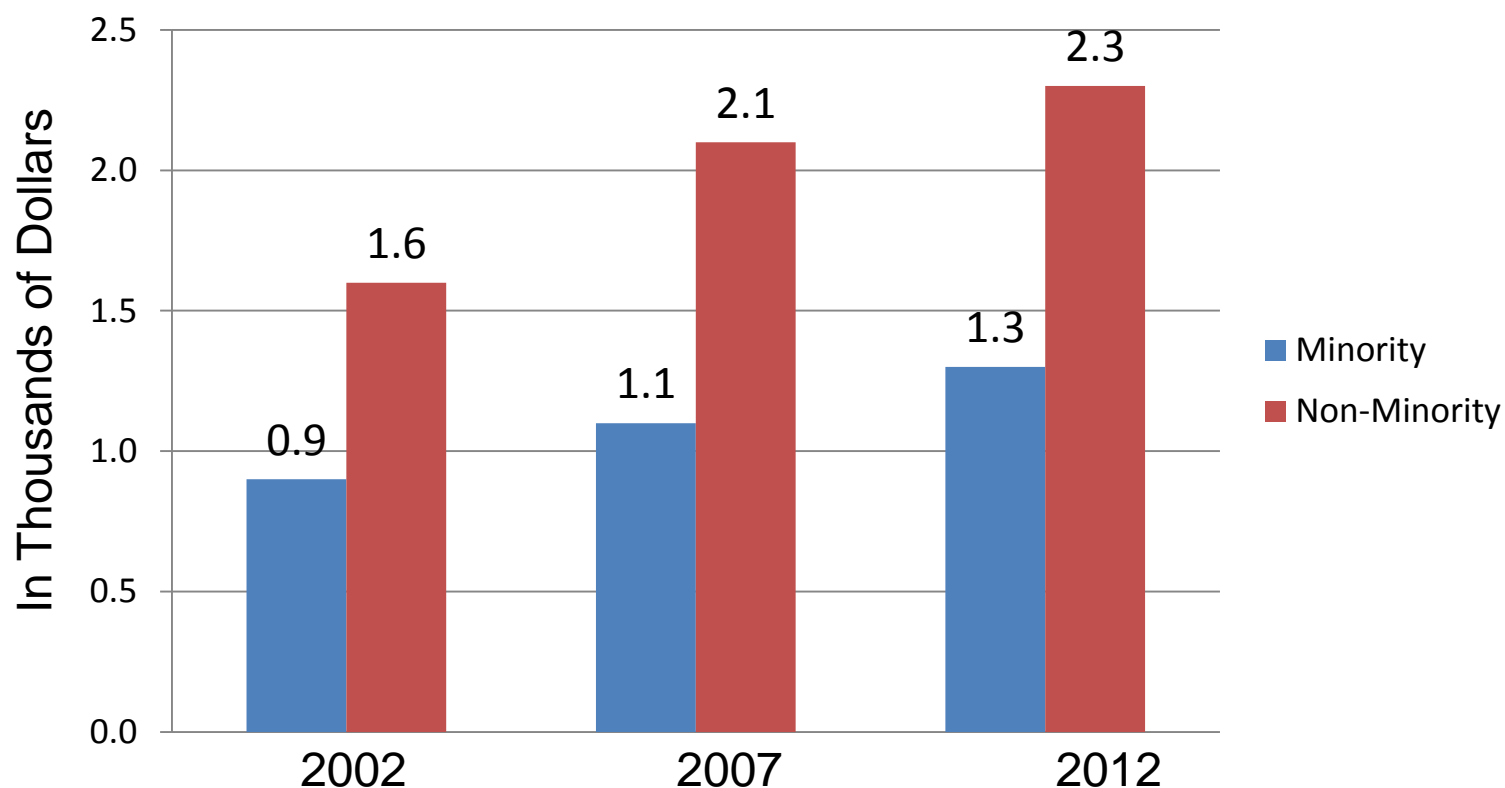


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U.S. Business Gross Receipts Comparisons (2002 – 2012)



Average Gross Receipts - Firms with Employees

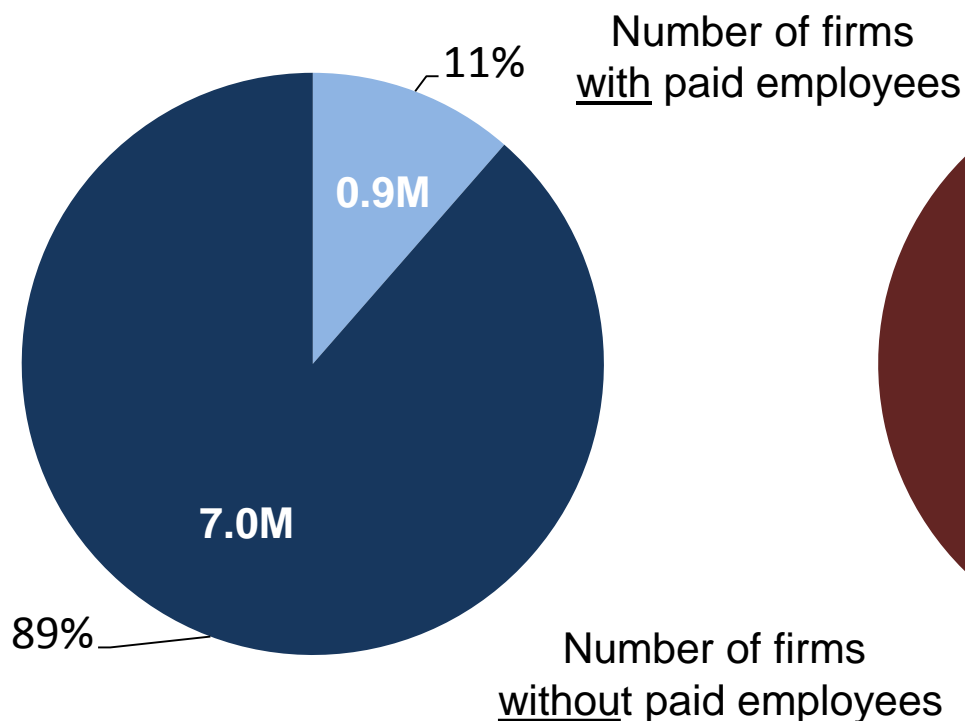


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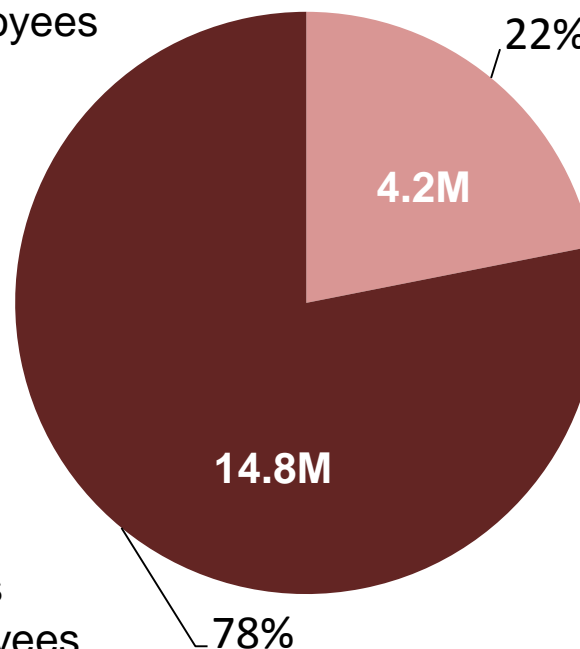
U.S. Business Employment Share Comparison



Minority Firms



Non-Minority Firms



Source: U.S. Census Bureau, 2012 Survey of Business Owners, December 2015

Disparities in Public Contracting

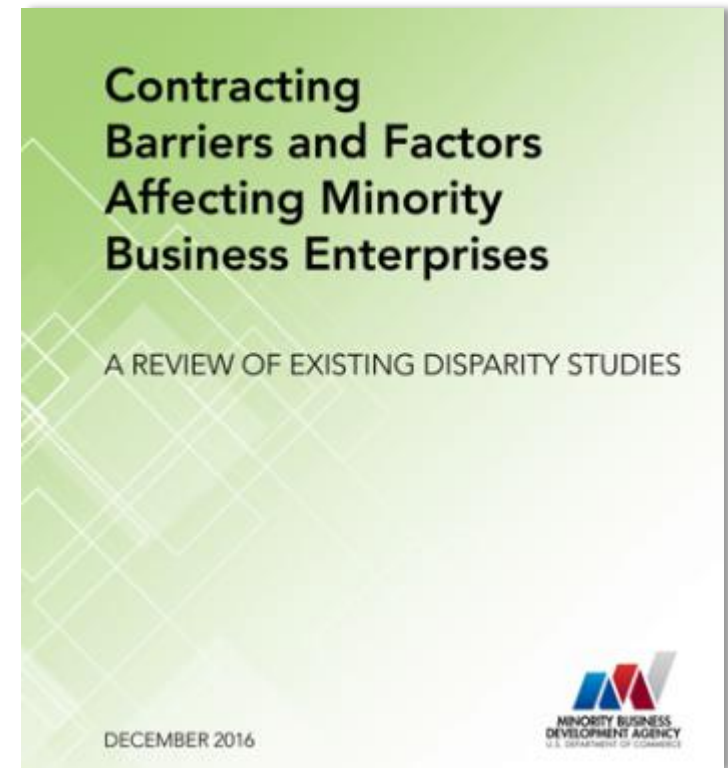


MBDA Commissioned Study

- Review of 100 Disparity Studies
- Analysis of public contracting data

Findings

- Based on the proportion of number of MBEs available to bid on and perform contract work
- MBEs secure lower number and dollar amount of contracts
- Data indicates substantial disparity exists



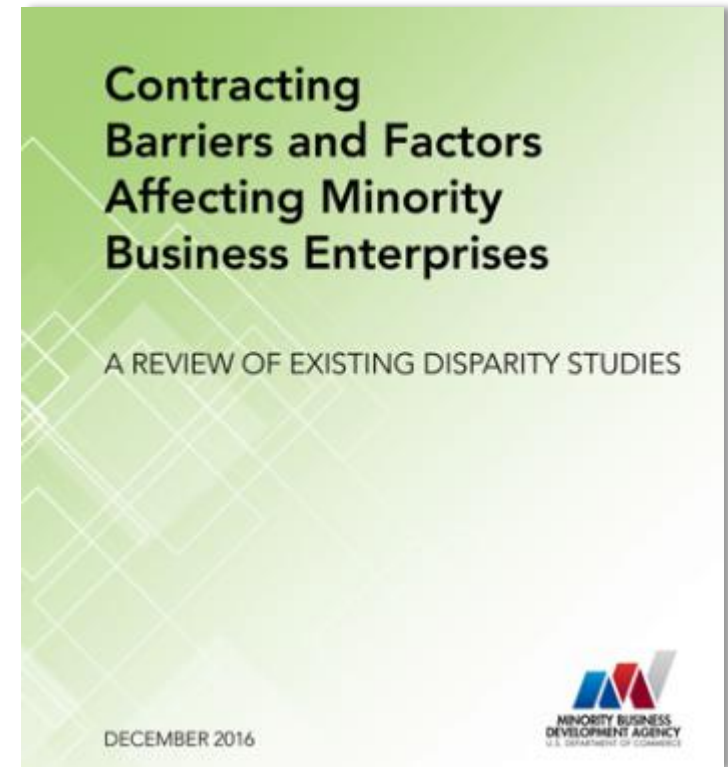
http://www.mbda.gov/sites/default/files/ContractingBarriers_AReviewofExistingDisparityStudies.pdf

Frequency of Barriers Identified



Prevalent barriers and causes of underrepresentation

- Networking
- Bonding Requirements
- Receiving Timely Payment
- Access to Capital
- Attitude
- Late Bid Notification
- Large Project Sizes
- Insurance Requirements
- Higher Standards
- Bid Shopping
- Capability Stereotypes
- Held Bid
- Double Standards
- DBE Stigma



http://www.mbda.gov/sites/default/files/ContractingBarriers_AReviewofExistingDisparityStudies.pdf



MBDA Business Center Network

MBDA BUSINESS CENTERS



MBDA Services: Access to Capital



- Identify and facilitate financing opportunities
- Capital identification based on industry specialization
- Financial management and planning
- Financing forums and networking events
- Identification and closure of mergers and acquisitions



MBDA Services: Access to Contracts



- Identification of procurement opportunities
- Opportunity matching and referrals
- Solicitation analysis
- Bid and proposal preparation
- Business certifications and registration assistance
- Targeted teaming arrangements and joint ventures



MBDA Services: Access to Global Markets



- Market research, feasibility studies, and promotion
- International market analysis and trade assistance
- Certified trade missions in collaboration with the International Trade Administration
- Sales consulting and forecasting
- Business-to-Business (B2B) matching



Expanded Services: Specialty Expertise in the Network



Newly Launched Specialty Programs

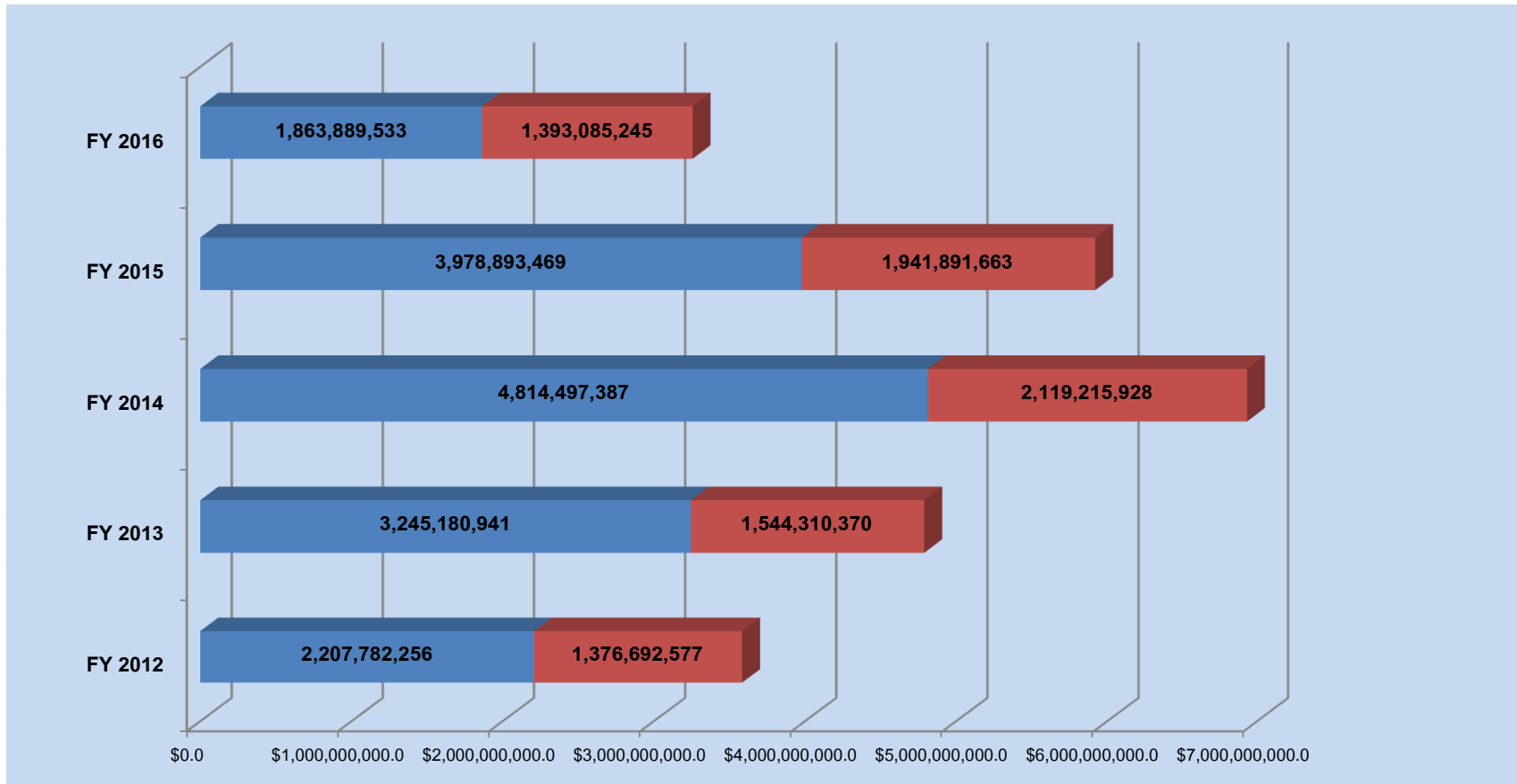


- Federal Contracting Center
- Capital Center
- Advanced Manufacturing Centers
- Export Centers
- Technology Transfer and Innovation



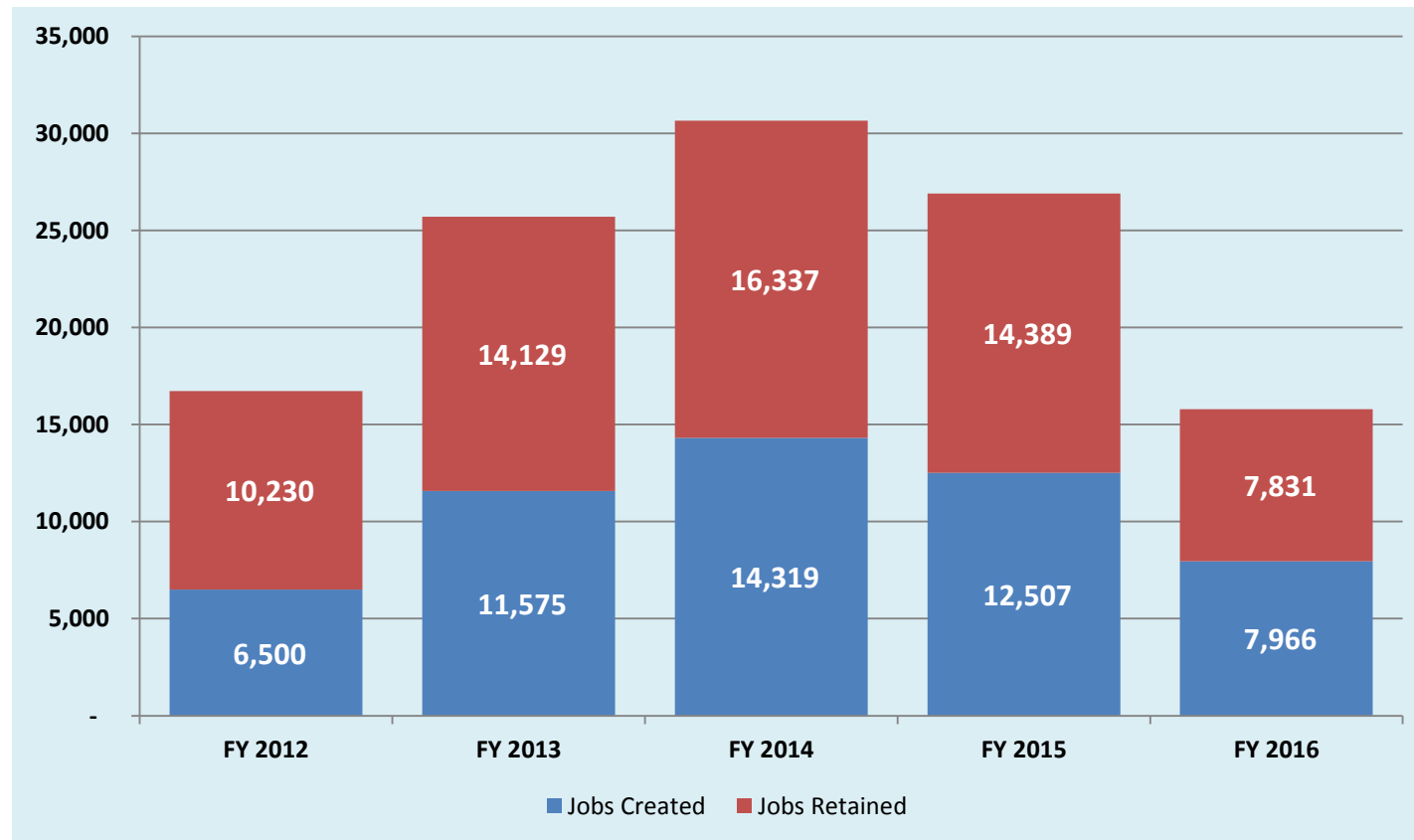
MBDA Performance Based

MBDA Contracts & Capital



NOTE: FY 2015 and FY 2016 parallel the end and start of the MBDA Business Center 5 year cycle, respectively, which traditionally accounts for a dip in performance.

MBDA Job Creation & Retention



Summary



WHO WE ARE: MBDA is the only Federal Government agency solely dedicated to the growth and global competitiveness of minority business enterprise.

WHAT WE DO: Our initiatives, programs, and services provide greater access to capital, contracts, and markets for minority-owned businesses.

WHY WE DO IT: Minority-owned firms expand the U.S. economy, strengthen local communities, and support greater job creation.